

Sep 22, 2022

ANGELA E. NOBLE  
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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA  
**22-60202-CR-DIMITROULEAS/HUNT**  
Case No. \_\_\_\_\_

18 U.S.C. § 371  
42 U.S.C. § 1320a-7b(b)(4)  
18 U.S.C. § 982(a)(7)

UNITED STATES OF AMERICA

vs.

CHARLES WILLIAM MCELWEE,

Defendant.

INDICTMENT

The Grand Jury charges that:

GENERAL ALLEGATIONS

At all times relevant to this Indictment:

The Medicare Program

1. The Medicare Program ("Medicare") was a federal health insurance program that provided free or below-cost health care benefits to individuals who were sixty-five years of age or older or disabled. The benefits available under Medicare were governed by federal statutes and regulations. The United States Department of Health and Human Services ("HHS"), through its agency the Center for Medicare and Medicaid Services ("CMS"), oversaw and administered Medicare. Individuals who received benefits under Medicare were commonly referred to as Medicare "beneficiaries."

2. Medicare was a "Federal health care program," as defined in Title 42, United States Code, Section 1320a-7b(f), and a "health care benefit program," as defined by Title 18, United States Code, Section 24(a).

3. Each Medicare beneficiary was identified with a unique beneficiary identifier number ("BIN"). These BINs were used, among other things, to determine a beneficiary's eligibility for Medicare benefits, and to submit claims to Medicare seeking reimbursement for covered benefits, items, and services. Two types of BINs established under Title 42, United States Code, Chapter 7, subsection XVIII, were Health Insurance Claim Numbers ("HICNs") and Medicare Beneficiary Identifiers ("MBIs").

4. HICNs were typically comprised of the beneficiary's social security number and often included one or more additional letters. In 2015, Congress passed the Medicare Access and CHIP Reauthorization Act ("MACRA") which mandated that CMS phase out the use of social security numbers in the assignment of BINs.

5. Following the passage of MACRA, CMS began to assign Medicare beneficiaries MBI numbers, which were comprised of a unique series of 11 randomly generated numbers and letters. MBI numbers, like HICNs, were used to identify qualifying beneficiaries in all Medicare transactions such as billing and claim submissions. One purpose of using this randomly generated series of numbers and letters was to improve patient identity protection and prevent identity theft.

#### **The Defendant and a Related Entity**

6. Lead Junkies LLC ("Lead Junkies") was a Florida company with a listed address of 3303 W. Commercial Blvd. Suite 190A, Ft. Lauderdale, Florida.

7. Defendant **CHARLES WILLIAM MCELWEE** was a resident of Broward County, Florida, and the sole owner, operator, authorized representative, and registered agent of Lead Junkies.

**COUNT 1**  
**Conspiracy to Buy, Sell and Distribute BINs**  
**(18 U.S.C. § 371)**

1. The General Allegations section of this Indictment is re-alleged and incorporated by reference as if fully set forth herein.

2. Beginning at least as early as in or around July 2021, the exact date being unknown to the Grand Jury, and continuing through the return of this indictment, in Broward County, in the Southern District of Florida, and elsewhere, the defendant,

**CHARLES WILLIAM MCELWEE,**

did knowingly and willfully, that is, with the intent to further the object of the conspiracy, combine, conspire, confederate, and agree with others, known and unknown to the Grand Jury, to commit an offense against the United States, that is, without lawful authority, to knowingly and willfully, purchase, sell, distribute, and arrange for the purchase, sale and distribution of beneficiary identification numbers under subsection XVIII, that is, HICNs and MBI numbers, in violation of Title 42, United States Code, Section 1320a-7b(b)(4).

**Purpose of the Conspiracy**

3. It was a purpose of the conspiracy for the defendant and his co-conspirators to unlawfully enrich themselves by collecting, buying, selling, and distributing Medicare beneficiary information, including beneficiary names, dates of birth, social security numbers, HICNs, and MBI numbers, among other things.

**Manner and Means of the Conspiracy**

The manner and means by which the defendant and his co-conspirators sought to accomplish the object and purpose of the conspiracy included, among other things:

4. **CHARLES WILLIAM MCELWEE** and his co-conspirators used “data mining” techniques to collect personal information, including BINs, from numerous Medicare beneficiaries.

5. **CHARLES WILLIAM MCELWEE** advertised on various on-line sites the sale of Medicare data, including BINs.

6. **CHARLES WILLIAM MCELWEE** and his co-conspirators bought, sold and distributed the personal information—including the names, dates of birth, addresses, social security numbers, and BINs—for approximately 2.6 million Medicare beneficiaries.

7. **CHARLES WILLIAM MCELWEE** and his co-conspirators concealed the purchase, sale, and distribution of Medicare beneficiary information, including BINs.

8. **CHARLES WILLIAM MCELWEE** and his co-conspirators used the proceeds of the conspiracy to benefit themselves and others, and to further the conspiracy.

**Overt Acts**

In furtherance of the conspiracy, and to accomplish its object and purpose, at least one co-conspirator committed and caused to be committed, in the Southern District of Florida, at least one of the following overt acts, among others:

1. On or about August 24, 2021, **CHARLES WILLIAM MCELWEE** obtained from a co-conspirator several files, via email, containing the names, addresses, dates of birth, and BINs, among other personally identifying information, for over 340,000 Medicare beneficiaries.

2. On or about December 7, 2021, **CHARLES WILLIAM MCELWEE** posted an

advertisement on Craigslist offering “Medicare data for sale.”

3. On or about December 8, 2021, **CHARLES WILLIAM MCELWEE** texted a potential buyer of the Medicare data stating, among other things, that (a) “I have quite a large amount of data available[,] do you need it for a certain vertical [market]?” (b) “I also work with a data mining company that produces fresh data daily that I have full access to as well.” (c) “Ive [sic] been working with the same guys for 3 years now, so I can get whatever is needed on demand within about 24 hours if special interest is desired.” and (d) “In general, I charge .12 a file 5K minimum[.]”

4. On or about December 8, 2021, **CHARLES WILLIAM MCELWEE** emailed a sample file to a potential buyer containing the names, addresses, and BINs of approximately 300 Medicare beneficiaries.

5. On or about December 14, 2021, **CHARLES WILLIAM MCELWEE** incorporated Lead Junkies by submitting Articles of Organization with the Florida Department of State, Division of Corporations, listing himself as the sole member, authorized representative, and registered agent.

6. On or about December 15, 2021, **CHARLES WILLIAM MCELWEE** opened a bank account in the name of Lead Junkies.

7. On or about December 27, 2021, a co-conspirator purportedly in the Philippines emailed **CHARLES WILLIAM MCELWEE** an invoice seeking payment for “20,853 Us [sic] Health Insurance data.”

8. On or about December 28, 2021, **CHARLES WILLIAM MCELWEE** paid the invoice referenced in Overt Act 7 via Paypal.

9. On or about January 3, 2022, a co-conspirator sent **CHARLES WILLIAM**

**MCELWEE** a spreadsheet titled “100k Medicare SSN data with DOB Medicaree [sic].”

10. On or about January 4, 2022, **CHARLES WILLIAM MCELWEE** emailed a file to a co-conspirator which contained the personal information—including name, address, and HICNs, among other things—for approximately 50,000 Medicare beneficiaries.

11. On or about January 11, 2022, a co-conspirator purportedly in Egypt paid **CHARLES WILLIAM MCELWEE** via Paypal for “MEDICARE DATA 5K.”

12. On or about January 21, 2022, **CHARLES WILLIAM MCELWEE** sent an email to a potential buyer with a subject line “SAMPLE DATA MEDICARE PART B” with two attachments containing the names, dates of birth, addresses, and MBIs, among other information, for a total of approximately 1,500 Medicare beneficiaries.

13. On or about April 5, 2022, **CHARLES WILLIAM MCELWEE** emailed a file to a buyer containing the names, addresses, dates of birth, and BINs, among other things, for approximately 83,000 Medicare beneficiaries.

All in violation of Title 18, United States Code, Section 371.

**COUNTS 2-6**  
**Unauthorized Sale and Distribution of BINs**  
**(42 U.S.C. § 1320a-7b(b)(4))**

1. The General Allegations section of this Indictment is re-alleged and incorporated by reference as if fully set forth herein.

2. On or about the date specified in each count below, in Broward County, in the Southern District of Florida, and elsewhere, the defendant,

**CHARLES WILLIAM MCELWEE,**

without lawful authority, did knowingly and willfully sell and distribute, and arrange for the sale and distribution of, a beneficiary identification number under subsection XVIII, that is, an MBI

number, as set forth in each count below:

Count	Approx. Date	Beneficiary	MBI Number
2	December 8, 2020	T.S.	xxxxxxxCT33
3	December 8, 2021	Y.B.	xxxxxxxQF95
4	April 5, 2022	J.C.	xxxxxxxAH55
5	April 5, 2022	D.T.	xxxxxxxGY95
6	April 5, 2022	M.S.	xxxxxxxTP17

In violation of Title 42, United States Code, Section 1320a-7b(b)(4) and Title 18, United States Code, Section 2.

### **FORFEITURE ALLEGATIONS**

1. The allegations contained in this Indictment are hereby realleged and by this reference fully incorporated herein for the purpose of alleging criminal forfeiture to the United States of certain property in which the defendant, **CHARLES WILLIAM MCELWEE**, has an interest.

2. Upon conviction of a violation of, or conspiracy to violate, Title 42, United States Code, Section 1320a-7b(b)(4), as alleged in this Indictment, the defendant shall forfeit to the United States of America, pursuant to Title 18, United States Code, Section 982(a)(7), any property, real or personal, that constitutes or is derived, directly or indirectly, from gross proceeds traceable to the commission of such violation.

All pursuant to Title 18, United States Code, Section 982(a)(7), and the procedures set forth at Title 21, United States Code, Section 853, as incorporated by Title 18, United States Code, Section 982(b)(1).

A TRUE BILL

FOREPERSON

  
JUAN ANTONIO GONZALEZ  
UNITED STATES ATTORNEY

  
JON M. JUENGER  
ASSISTANT UNITED STATES ATTORNEY



UNITED STATES OF AMERICA

CASE NO.: \_\_\_\_\_

v.

CHARLES WILLIAM McELWEE,

**CERTIFICATE OF TRIAL ATTORNEY\***

**Superseding Case Information:**

\_\_\_\_\_/ **Defendant.**

**Court Division** (select one)

- ☐ Miami      ☐ Key West      ☐ FTP  
☒ FTL      ☐ WPB

New Defendant(s) (Yes or No) \_\_\_\_\_

Number of New Defendants \_\_\_\_\_

Total number of New Counts \_\_\_\_\_

I do hereby certify that:

1. I have carefully considered the allegations of the indictment, the number of defendants, the number of probable witnesses and the legal complexities of the Indictment/Information attached hereto.
2. I am aware that the information supplied on this statement will be relied upon by the Judges of this Court in setting their calendars and scheduling criminal trials under the mandate of the Speedy Trial Act, Title 28 U.S.C. §3161.
3. Interpreter: (Yes or No) No  
List language and/or dialect: \_\_\_\_\_
4. This case will take 3 days for the parties to try.
5. Please check appropriate category and type of offense listed below:  
(Check only one) (Check only one)  
I ☒ 0 to 5 days ☐ Petty  
II ☐ 6 to 10 days ☐ Minor  
III ☐ 11 to 20 days ☐ Misdemeanor  
IV ☐ 21 to 60 days ☒ Felony  
V ☐ 61 days and over
6. Has this case been previously filed in this District Court? (Yes or No) No  
If yes, Judge \_\_\_\_\_ Case No. \_\_\_\_\_
7. Has a complaint been filed in this matter? (Yes or No) No  
If yes, Magistrate Case No. \_\_\_\_\_
8. Does this case relate to a previously filed matter in this District Court? (Yes or No) No  
If yes, Judge \_\_\_\_\_ Case No. \_\_\_\_\_
9. Defendant(s) in federal custody as of \_\_\_\_\_
10. Defendant(s) in state custody as of \_\_\_\_\_
11. Rule 20 from the \_\_\_\_\_ District of \_\_\_\_\_
12. Is this a potential death penalty case? (Yes or No) No
13. Does this case originate from a matter pending in the Northern Region of the U.S. Attorney's Office prior to August 8, 2014 (Mag. Judge Shaniek Maynard? (Yes or No) No
14. Does this case originate from a matter pending in the Central Region of the U.S. Attorney's Office prior to October 3, 2019 (Mag. Judge Jared Strauss? (Yes or No) No

By: \_\_\_\_\_

JON M. JUENGER

Assistant United States Attorney

FL Bar No. 56108

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

PENALTY SHEET

Defendant's Name: CHARLES WILLIAM MCELWEE

Case No: \_\_\_\_\_

Count #: 1

Title 18, United States Code, Section 371

Conspiracy to Buy, Sell and Distribute BINs

\* **Max. Term of Imprisonment:** 5 years

\* **Mandatory Min. Term of Imprisonment (if applicable):** N/A

\* **Max. Supervised Release:** 3 years

\* **Max. Fine:** \$250,000 or twice the gross gain or loss from the offense

Counts #: 2 – 6

Title 42, United States Code, Section 1320a-7b(b)(4)

Unauthorized Sale and Distribution of BINs

\* **Max. Term of Imprisonment:** 10 years as to each count

\* **Mandatory Min. Term of Imprisonment (if applicable):** N/A

\* **Max. Supervised Release:** 3 years

\* **Max. Fine:** \$250,000 or twice the gross gain or loss from the offense

\*Refers only to possible term of incarceration, supervised release and fines. It does not include restitution, special assessments, parole terms, or forfeitures that may be applicable.

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA**

**CASE NUMBER:** \_\_\_\_\_

**BOND RECOMMENDATION**

**DEFENDANT:** CHARLES WILLIAM MCELWEE

\$150,000, 10% with Nebbia  
(Personal Surety) (Corporate Surety) (Cash) (Pre-Trial Detention)

By: \_\_\_\_\_

AUSA: JON M. JUENGER

Last Known Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What Facility: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Agent(s):

S/A Brian Frank, HHS-OIG  
(FBI) (SECRET SERVICE) (DEA) (IRS) (ICE) (**OTHER**)